

# 2008 GENERAL SESSION FISCAL NOTE WORKSHEET XI (Revised Jan. 2008)

Agency: UTAH STATE OFFICE OF EDUCATION

Bill Number HB383

TITLE OF BILL: STATEWIDE CAPITAL OUTLAY EQUALIZATION by Representative Aaron Tilton

Requested by: Patrick Lee

Fax/Electronic Mail Transmittal To:

Office of the Legislative Fiscal Analyst  
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Name: Patrick Lee

Date: February 8, 2008

Fax Number: \_\_\_\_\_

Please return to Fiscal Analyst by: February 8, 2008

This Bill Takes Effect: ☐ On passage ☒ On July 1 ☐ 60 Days after session ☐ Other \_\_\_\_\_

Bill Carries Own Appropriation: ☒

## FISCAL IMPACT OF PROPOSED LEGISLATION

	FY 2008 Supp.	FY 2009	FY 2010
<b>A. REVENUE IMPACT BY SOURCE OF FUNDS</b>			
1. General Fund			
2. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6 Local Funds			
<b>7. TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## B. EXPENDITURE IMPACT:

<b>By Source of Funds</b>			
1. General Fund			
2. General Fund, One Time			
3. Uniform School Fund - Education Fund		<b>\$27,288,900</b>	<b>\$27,288,900</b>
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6. Local Funds			
<b>7. TOTAL</b>	<b>\$ -</b>	<b>\$ 27,288,900</b>	<b>\$ 27,288,900</b>
<b>By Expenditure Category</b>			
1. Salaries, Wages and Benefits			
2. Travel			
3. Current Expenses			
4. D.P. Current Expenses			
5. Capital Outlay			
6. D.P. Capital Outlay			
7. Other (Specify) <u>Capital Outlay and Enrollment Growth</u>		<b>\$27,288,900</b>	<b>\$27,288,900</b>
<b>8. TOTAL</b>	<b>\$ -</b>	<b>\$ 27,288,900</b>	<b>\$ 27,288,900</b>

## C. IMPACT IN FUTURE YEARS?

*If no fiscal impact in the first two years, indicate any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. (Use back side, or attachment, if necessary.)*

Cathy Dudley  
Prepared By

MSP Budget and Property Tax Specialist - USOE  
Title

801.538.7667  
Agency Phone #

February 8, 2008  
Date

**D. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase****E. Expenditure Impact Details (Ties to totals in Section C)**

*List and document methodology and/or assumptions used in determining need for workload and cost increase.  
List number, type, and step ranges of personnel required, including benefits.  
List details of other impacted expenditure categories as shown in Section C.  
List additional space requirements and cost associated with requirements of this bill.  
(USE ATTACHMENTS IF NECESSARY.)*

*If a qualifying school district imposes a combined capital levy rate less than 0.002400 per dollar of taxable value, the State Board of Education shall allocate funds to the school district if the school district imposed a combined capital levy rate of at least 0.002400 in either of the prior two years and the school district imposes at least its combined capital levy certified tax rate.*

*The State Board of Education will have to rewrite their rule on the State School Building Program (R277-451). The State Board of Education will also have to distribute the revenues collected from the basic capital outlay levy.*

**F. No Fiscal Impact or Will Not Require Additional Appropriations?**

*Specify why this bill will have no fiscal impact on your agency or institution.  
Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations.  
(USE ATTACHMENTS IF NECESSARY.)*

**G. If Bill Carries Its Own Appropriation:**

*Indicate if the amount appropriated is adequate to meet the purposes of the bill.  
Are there future additional costs anticipated beyond the appropriation in the bill? *The appropriation in this bill (\$27,288,900) is to be used for the Capital Outlay Foundation Program. Monies from the Capital Outlay Equalization Fund is to be distributed for the Capital Outlay Enrollment Growth Program. The Capital Outlay Equalization Fund is a restricted special revenue fund. It is to be funded from the basic capital outlay levy, revenues from the rate reduction limitation increment, and appropriations from the Legislature.**

*For taxable years beginning on or after January 1, 2009, a participating school district shall impose a basic capital outlay tax rate of 0.000698 per dollar of taxable value. A participating school district shall remit to the State Board of Education an amount equal to the revenue generated from the basic capital outlay tax rate imposed on or before the June 30 immediately following the end of the taxable year in which the participating school district imposes the basic capital outlay tax rate.*

*The rate reduction limitation increment is for a receiving district whose combined capital levy certified tax rate would be less than 0.002400 were it not for the rate reduction limitation, the amount of revenue equal to the difference between the amount of revenue that would have been generated by the combined capital levy certified tax rate and the amount of revenue generated by a property tax rate of 0.002400 per dollar of taxable value.*

*The Base Allocation Amount Per Student is to be adjusted in future years by the percentage difference between the inflation index for the calendar year preceding the calendar year in which the fiscal year begins and the inflation index for calendar year 2008.*

*The State Board of Education shall distribute revenues collected from the basic capital outlay levy.*

*The appropriation is sufficient to fund the Capital Outlay Foundation Program, but the calculations for the Enrollment Growth program show a need for approximately \$130 million (see tab titled Base Guarantee and Enrol Growth, cell Q52.)*

## **H. Impact on Local Governments, Businesses, Associations, and Individuals**

*Specify requirements in the bill that drive the impact on local governments.*

*Indicate costs or savings that are **DIRECT and MEASURABLE**. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)*

### Local Governments:

*The impact on school districts will be an increase in funding for the Capital Outlay Foundation Program and the Enrollment Growth Program which will enable them to bond for capital outlay, construct facilities, and do renovations. Another impact would be that participating school districts would have to invoke a basic capital outlay tax rate of 0.000698 per dollar of taxable value.*

### Businesses and Associations:

### Individuals:

*Individuals could see an increase in their property taxes.*

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

This fiscal note input draft does not imply endorsement of this bill by the State Board of Education or USOE.